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1 TITLE I—TRANSFERABILITY**2 SEC. 101. SHORT TITLE.**

3 This title may be cited as the “State and Local
4 Transferability Act”.

5 SEC. 102. PURPOSE.

6 The purpose of this title is to grant flexibility to
7 States and school districts to target—

8 (1) Federal funds to Federal programs that
9 most effectively address the unique needs of States
10 and localities; and

11 (2) additional Federal funds to title I programs.

12 SEC. 103. TRANSFERABILITY.

13 Part B of title XIV of the Elementary and Secondary
14 Education Act of 1965 (20 U.S.C. 8801 et seq.) is amend-
15 ed by adding at the end the following:

16 “SEC. 14206. TRANSFERABILITY.

17 “(a) STATE TRANSFER AUTHORITY.—

18 “(1) IN GENERAL.—A State may transfer up to
19 100 percent of nonadministrative State funds allo-
20 cated to such State which are authorized to be used
21 for State-level activities under any of the following
22 provisions to the allocation of the State under any
23 other of such provisions:

24 “(A) Title II (excluding national activi-
25 ties).

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1 “(B) Subpart 2 of part A of title III.

2 “(C) Part A of title IV.

3 “(D) Title VI.

4 “(E) Part C of title VII.

5 “(F) Comprehensive school reform pro-
6 grams as authorized under section 1502 as de-
7 scribed on pages 96–99 of the Joint Statement
8 of the Committee of Conference included in
9 House Report 105–390 (Conference Report on
10 the Departments of Labor, Health and Human
11 Services, and Education, and Related Agencies
12 Appropriations Act, 1998).

13 “(2) SUPPLEMENTAL FUNDS FOR TITLE I.—A
14 State may transfer any funds allocated to the State
15 under a provision listed in paragraph (1) to its allo-
16 cation under title I.

17 “(b) LOCAL EDUCATIONAL AGENCY TRANSFER AU-
18 THORITY.—

19 “(1) TRANSFER OF FUNDS.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graphs (C), (D), and (E), a local educational
22 agency may transfer funds allocated to such
23 agency under any of the provisions listed in
24 paragraph (2).

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1 “(B) SUPPLEMENTAL FUNDS FOR TITLE
2 I.—Subject to subparagraphs (C), (D), and (E),
3 a local educational agency may transfer funds
4 allocated to such agency under a provision list-
5 ed in paragraph (2) to its allocation under title
6 I.

7 “(C) UNDER 30 PERCENT.—A transfer
8 under subparagraph (A) or (B) of up to 30 per-
9 cent of the funds allocated to a local edu-
10 cational agency under a provision listed in para-
11 graph (2) in a fiscal year may be made without
12 State approval.

13 “(D) OVER 30 PERCENT.—Subject to para-
14 graph (3), a transfer under subparagraph (A)
15 or (B) in a fiscal year of funds allocated to a
16 local educational agency under a provision listed
17 in paragraph (2) in a fiscal year the amount of
18 which, when added to the amount of other
19 transfers by the agency of such funds in such
20 fiscal year, is more than 30 percent of such
21 funds may be made only with the approval of
22 the State.

23 “(E) TITLE II TRANSFERS.—If a local edu-
24 cational agency provides assurances that the
25 amount of funds expended for professional de-

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1 velopment in mathematics and science under
2 title II in a fiscal year will equal or exceed the
3 amount of funds expended for the year pre-
4 ceding the date of enactment of the Education
5 OPTIONS Act such agency may transfer funds
6 allocated to it under title II.

7 “(2) APPLICABLE PROVISIONS.—The provisions
8 from which a local educational agency may transfer
9 funds under this subsection are as follows:

10 “(A) Title II (excluding national activi-
11 ties).

12 “(B) Subpart 2 of part A of title III.

13 “(C) Part A of title IV.

14 “(D) Title VI.

15 “(E) Part C of title VII.

16 “(F) Section 310 of the Department of
17 Education Act, 2000, included in the Depart-
18 ments of Labor, Health and Human Services,
19 and Education, and Related Agencies Appro-
20 priations Act, 2000 (as enacted into law by sec-
21 tion 1004(a)(4) of Public Law 106–113).

22 “(3) SPECIAL APPROVAL.—If a local edu-
23 cational agency submits to its State a written re-
24 quest to make a transfer under this subsection that
25 requires State approval, such transfer shall be

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1 deemed approved by the State unless the State,
2 within 60 days after receipt of such transfer request,
3 disapproves such request or promptly notifies the
4 agency in writing of such revisions as may be nec-
5 essary before the State will approve the transfer.

6 “(c) LIMITATION.—A State or a local educational
7 agency may not transfer any funds allocated to it under
8 title I to any other program under this Act.

9 “(d) STATE PLAN AND APPLICATION MODIFICATION;
10 PRENOTIFICATION.—Each State transferring funds under
11 this section shall—

12 “(1) modify any plan or application of the State
13 that is applicable to such funds to account for such
14 transfer and submit, within 30 days after the date
15 of such transfer, a copy of such modified plan or ap-
16 plication to the Department of Education; and

17 “(2) notify the Department of Education no
18 less than 30 days before the effective date of such
19 transfer.

20 “(e) LOCAL PLAN AND APPLICATION MODIFICATION;
21 PRENOTIFICATION.—Each local educational agency trans-
22 ferring funds under this section shall—

23 “(1) modify any plan or application of the
24 agency that is applicable to such funds to account
25 for such transfer and submit, within 30 days after

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1 the date of such transfer, a copy of such modified
2 plan or application to the State; and

3 “(2) notify the State no less than 30 days be-
4 fore the effective date of such transfer.

5 “(f) APPLICABLE RULES.—Except as otherwise pro-
6 vided in this subsection, when funds are transferred to an
7 allocation under this section, they become funds of the al-
8 location to which they are transferred and subject to all
9 the requirements that are applicable to that allocation.”.